

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: ~~V~~-2966  
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-94/08/16-0467  
VGOB-94/08/16-0468  
VGOB-94/05/17-0448

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Orders previously issued by the Board for the subject Docket on July 29, 1994 and recorded at Deed Book 302 Page 512 and September 19, 1994 and recorded at Deed Book 304, Page 004 in the Office of the Clerk of the Circuit Court, Dickenson County, Virginia on August 5, 1994 and September 28, 1994 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Equitable Resources Exploration (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated October 3, 1994 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated November 17, 1994 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"),

wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow.

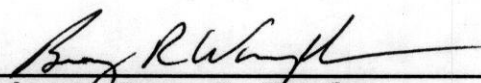
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 19<sup>th</sup> day of December 1994, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA)  
COUNTY OF WISE )

Acknowledged on this 19th day of December, 1994,  
personally before me a notary public in and for the Commonwealth of  
Virginia, appeared Benny Wampler, being duly sworn did depose and say that  
he is Chairman of the Virginia Gas and Oil Board, that he executed the same  
and was authorized to do so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/98

DONE AND PERFORMED this 19th day of December 1994 by Order of  
this Board.

Byron Thomas Fulmer  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 19th day of December, 1994,  
personally before me a notary public in and for the Commonwealth of  
Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say  
that he is Principal Executive to the staff of the Virginia Gas and Oil  
Board, that he executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires 9/30/97



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number VC-2966, VGOB Docket No. VGOB-94-0816-0467 and 0468 in the Ervinton Magisterial District of Dickenson County, Virginia

AFFIDAVIT OF HUNTER, SMITH & DAVIS, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of Hunter, Smith & Davis, the Agent for the Designated Operator, with offices located at 1212 North Eastman Road, Kingsport, Tennessee 37664, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on September 19, 1994, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on September 28, 1994;
5. That the Designated Operator, by and through their agent, HUNTER, SMITH & DAVIS, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made

with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

Name	Election	Date
1) Sandra Powers Strickfaden	"None of the above"	Oct. 19, 1994
2) Leonard Oscar Powers	" "	Oct. 30, 1994
3) Bonnie Catherine Edwards Kiser	" "	Oct. 22, 1994

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

#### Conflicting Claims to Coalbed Methane

- 1) Florence Kiser  
(life estate interest owner)
- 2) Jackson L. Kiser and Carole G. Kiser  
(deemed to have leased)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acres} \times \$5.00 = \$9.08$  Bonus
- 3) Virginia Alta Kiser, widow  
(deemed to have leased)  
 $1/5 \times 12.5\% \times 30.90\% = .007725$  Royalty Interest  
 $3.6320 \text{ acres} \times \$5.00 = \$18.16$  Bonus
- 4) Leonard Oscar Powers and Trulah F. Powers  
(deemed to have leased - election dated 10/30/94)  
 $13/18 \times 12.5\% \times 27.61\% = .0249257$  Royalty Interest  
 $11.7217 \text{ acres} \times \$5.00 = \$58.61$  Bonus
- 5) Bonnie Edwards Kiser and Edward H. Kiser  
(deemed to have leased - election dated 10/22/94)  
 $2/18 \times 12.5\% \times 27.61\% = .0038347$  Royalty Interest  
 $1.8033 \text{ acres} \times \$5.00 = \$9.02$  Bonus

- 6) Sandra Powers Strickfaden  
(deemed to have leased - election dated 10-19-94)  
 $3/18 \times 12.5\% \times 27.61\% = .0057521$  Royalty Interest  
 $2.7050 \text{ acres} \times \$5.00 = \$13.53$  Bonus
- 7) Don K. Owens and Kay R. Owens  
(leased)  
 $1/8 \times 12.5\% \times 41.3\% = .0516875$  Royalty Interest  
 $24.30 \text{ acres} \times \$5.00 \text{ per net mineral acre} = \$121.50$   
Bonus
- 8) William R. Kiser, Jr. and Nancy Kiser  
(leased post hearing)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acres} \times \$5.00 = \$9.08$   
Bonus
- 9) Bessie Kiser, widow  
(leased post hearing)  
 $1/5 \times 12.5\% \times 30.90\% = .007725$  Royalty Interest  
 $3.6320 \text{ acres} \times \$5.00 = \$18.16$   
Bonus
- 10) Roy Curtis Kiser and Virginia Kiser  
(leased post hearing)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acre} \times \$5.00 = \$9.08$   
Bonus
- 11) Fred N. Kiser and Catherine Kiser  
(leased)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acre} \times \$5.00 = \$9.08$   
Bonus
- 12) Cartha Kiser, widow  
(leased post hearing/life estate interest owner)
- 13) Alona Bailey and Robert Bailey  
(leased post hearing)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acres} \times \$5.00 = \$9.08$   
Bonus
- 14) Teresa Chandler, single  
(leased post hearing)  
 $1/10 \times 12.5\% \times 30.90\% = .0038625$  Royalty Interest  
 $1.8160 \text{ acres} \times \$5.00 \text{ per net mineral acre} = \$9.08$   
Bonus



15) Clinchfield Coal Company  
(leased coal estate owner, Tracts 1,2 & 3)

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

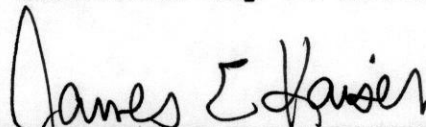
None.

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

- 1) Florence Kiser (life estate interest only)
- 2) Jackson L. Kiser - remainderman
- 3) Virginia Alta Kiser

9. That pursuant to the provision of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth or and identifies the conflicting claims and/or interest which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.

Dated at Kingsport, Tennessee, this 17th day of November, 1994.

  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Exploration, a corporation, on behalf of the corporation, this 17th day of November, 1994.

My commission expires: ~~March 12, 1996~~ <sup>NOVEMBER 27, 1997</sup>

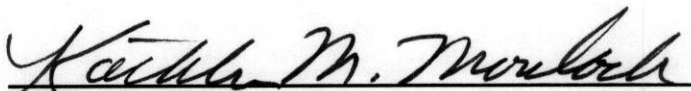
  
Notary

EXHIBIT "B"  
VC-2966

VGOB 94/08/16/0467

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<u>Gas Estate Only</u>					
1	Don K. Owens and Kay R. Owens, H/W Box R Haysi, VA 24256	Leased - EREX 241711L-01	41.3500%	24.3000	.0516875 RI
	Equitable Resources Exploration				.3618125 WI
<b>Tract 1 Total</b>			41.3500%	24.3000	41.35%
2	Leonard Oscar Powers and Trulah F. Powers H/W P. O. Box 277 Weippe, ID 83553	Unleased	19.9405%	11.7217	.0249257 RI
	Bonnie Catherine Edwards Kiser and Edward H. Kiser W/H Star Route Box 65 Birchleaf, VA 24220	Unleased	3.0678%	1.8033	.0038347 RI
	Sandra Powers Strickfaden, Divorced 1511 Ninth Avenue Lewiston, ID 83501	Unleased	4.6017%	2.7050	.0057521 RI
	Equitable Resources Exploration				.2415875 WI
<b>Tract 2 Total</b>			27.61%	16.23	27.61%
3	<b><u>Missouri I. Kiser Heirs</u></b> <u>William R. Kiser Heirs</u> Florence Kiser, Widow 1513 White Oak Court Martinsville, VA 24112	Unleased Life Estate	0.0000%	0.0000	0.0000
	Jackson L. Kiser and Carole G. Kiser, H/W 1513 White Oak Court Martinsville, VA 24112	Unleased Remainderman	3.0900%	1.8160	.0038625 RI
	William R. Kiser Jr. and Nancy Kiser, H/W Foxfield Farm, Route 2 Box 370 Waynesboro, VA 22980	Leased - EREX Remainderman 244789L-03	3.0900%	1.8160	.0038625 RI
	Utah Kiser Heirs Bessie Kiser, Widow Route 4 Box 400 Clintwood, VA 24228	Leased - EREX 244789L-02	6.1800%	3.6320	.007725 RI



EXHIBIT "B"  
VC-2966

VGOB 94/08/16/0467

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTERESTS
	Aubrey Kiser Heirs Virginia Alta Kiser, Widow Star Route Box 35C Cleveland, VA 24225	Unleased	6.1800%	3.6320	.007725 RI
	Herbert S. Kiser Heirs Roy Curtis Kiser and Virginia Kiser, H/W 4740 East Windstone Trail Cave Creek, AZ 85331	Leased - EREX 244789L-04	3.0900%	1.8160	.0038625 RI
	Fred N. Kiser and Catherine Kiser, H/W Route 1 Box 2120 Rogersville, TN 37857	Leased - EREX 244789L-01	3.0900%	1.8160	.0038625 RI
	James Kiser Heirs Cartha Kiser, Widow 5722 Dunn Avenue Jacksonville, FL 32218	Leased - EREX Life Estate 244789L-06	0.0000%	0.0000	0.0000
	Alona Bailey and Robert Bailey, W/H 7530 Rondex Lane Lewisville, NC 27023	Leased-EREX Remainderman 244789L-07	3.0900%	1.8160	.0038625 RI
	Teresa Chandler, Single 353 Jonestown Suite 126 Winston-Salem, NC 27104	Leased - EREX Remainderman 244789L-05	3.0900%	1.8160	.0038625 RI
	Equitable Resources Exploration				.270375 WI
Tract 3 Total			30.90%	18.16	30.90%
4	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 4000 Lebanon, VA 24266	Leased - EREX 241490L-01 T-414	0.1400%	0.0800	.000175 RI
	Equitable Resources Exploration				.001225 WI
Tract 4 Total			0.1400	0.0800	0.1400
TOTALS			100.00%	58.77	100.00%

